



United Nations Joint Staff Pension Fund
4th floor, 1 DHP
885 Second Avenue
New York, NY 10017
USA

February 2019

Re: PHROC and PNGO call on the UN Joint Staff Pension Fund (UNJSPF) to act with Due Diligence and Publicly Commit to Refrain from Investment in Israel's Unlawful Settlement Enterprise

Dear Ms. Janice Dunn Lee, Acting Chief Executive Officer, Secretary to the United Nations Joint Staff Pension Board

The Palestinian Human Rights Organizations Council (hereinafter PHROC) and Palestinian NGOs Network (hereinafter PNGO), are writing to you in light of the information that the UN Joint Staff Pension Fund (hereinafter UNJSPF) that falls under the authority of UN Secretary General and provides retirement and other benefits to former staff of the United Nations from 190 countries, has been investing its capital into businesses involved Israel's settlement enterprise in the Occupied Palestinian Territory (OPT), in violation of international law. Although UNJSPF does not publicly disclose its investment portfolio, it has established two exchange traded funds (ETFs), known as LOWNC and CRBN, which have published their investment portfolios. Reports show that at least \$7,5 million of UNJSPF capital has been invested into corporations active in the Israeli settlements in the OPT.¹

It must be noted, that UN Security Council Resolution 2334 reiterates that the establishment of Israeli settlements in the OPT constitutes a serious and flagrant violation of international law. For example, ETFs hold shares of Caterpillar (\$1,3 million), Leumi Bank (\$2,3 million), Hitachi (app. \$600,000), Volvo (\$450,000), Hyundai Heavy Industries (\$300,000), Motorola (\$183,000 of stocks). In particular, Motorola's wholly-owned Israeli subsidiary has developed and supplied surveillance technology to maintain the occupation. All of the above mentioned corporations profit from Israel's prolonged occupation by providing demolition and construction equipment used for settlement expansion and causing forcible displacement and/or transfer of Palestinians. In this vein, the corporations may be complicit in aiding and abetting the destruction of property and forcible displacement of the Palestinian population, amounting to war crimes and crimes against humanity, prosecutable at the International Criminal Court. In addition, the UNJSPF investment in the settlements may amount to an unlawful financing of settlement activity,

¹ Jack Davies, "How the UN turned a profit from Israeli settlements" New Internationalist (9 November 2018), available at: <https://newint.org/features/2018/11/09/how-un-turned-profit-israeli-settlements>



incentivizing Israel's settlement expansion leading to the forcible displacement of the Palestinian population.

Although UNJSPF Office of Investment Management, indicates that the UNJSPF divested from companies operating in Israeli settlements in November 2018, PHROC and PNGO remain concerned that the reasons pertaining to the divestment relate marginally to environmental considerations and the UNJSPF commitment to “a low carbon strategy”. The broader illegality of the original investment was neither condemned by UNJSPF, nor was there a commitment by UNJSPF to refrain from investing in Israel's unlawful settlement enterprise in the future, or provide restitution to affected Palestinian communities.²

PHROC and PNGO are deeply concerned about the lack of transparency of UNJSPF and its investments in companies which have been continuously reported to UN human rights bodies in relation to on-going violations of international law. While, PHROC and PNGO welcome the decision of UNJSPF to divest its pension fund from LOWNC and CRBN, we remain concerned that the UNJSPF lacks transparency and is not operating with international law obligations to act with due diligence in situations of armed conflict. In particular, PHROC and PNGO wish to express our concern about the investment policies of the UNJSPF, “in companies operating in illegal Israeli settlements situated in the West Bank”³ which violate International Human Rights Law (IHRL) and International Humanitarian Law (IHL) and ask UNJSPF to publicly clarify their present position on investing in companies which operate in illegal settlements.

The lack of transparency about investments conducted in name of the UNJSPF stands against a global trend towards increased transparency to prevent business involvement in human rights breaches and violations of international law. Critically, the UN Guiding Principles on Business and Human Rights (UNGPR) require human rights due diligence undertakings for investments in corporate activities, to mitigate against violations of IHRL and IHL. Importantly, and in this vein, in 2016, the UN Human Rights Council passed resolution 31/36 to create a database on all businesses operating in Israeli Settlements that would allow for increased respect for human rights responsibilities of business in high-risk environments. The Database is intended as a transparency and preventive mechanism for states and corporations to make informed decisions and undertake human rights due diligence. To date, the database has not been made public.

PHROC and PNGO request you, as Acting Chief Executive Officer, Secretary to the United Nations Joint Staff Pension Board;

² UNJSPF, Office of Investment Management, UNJSPF Press Release: Strategic Partnership with Entelligent (8 November 2018), available at: <https://oim.unjspf.org/report/unjspf-press-release-strategic-partnership-with-entelligent/>

³ See: Jack Davies, How the UN turned a profit from Israeli settlement, “New Internationalist”, 9 November 2018, <https://newint.org/features/2018/11/09/how-un-turned-profit-israeli-settlements>



- to act decisively in order to ensure that the UNJSPF investment policy is in conformity with international law and UN resolutions, and that investments are publicly withdrawn from businesses involved in grave violations of IHRL and IHL, with a public commitment that UNJSPF will refrain from operating in Israeli settlements.
- to publish the UNJSPF investment portfolio.
- ensure restitution by returning profits UNJSPF made in investing in Israel's illegal settlements to affected Palestinian communities.
- in light of the lack of transparency and the actions of the UNJSPF in investing in corporations unlawfully present in the OPT, to immediately release the Database, as mandated by the Human Rights Council, to provide interpretative guidance to enable investors such as the UNJSPF to undertake due diligence and make informed choices about their investment portfolios.
- ask that you take a decisive stand in the fight against impunity, and ensure that this issue is immediately addressed in the further investment decisions.

Yours Sincerely,

Palestinian Human Rights Organizations Council members:	
<p>مجلس منظمات حقوق الإنسان الفلسطينية Palestinian Human Rights Organizations Council</p>	<p>Al Haq Organization - Defending Human Rights</p> <p>Al Mezan Center for Human Rights</p> <p>ADDAMEER Prisoner Support and Human Rights Association</p> <p>Palestinian Centre for Human Rights</p> <p>BADIL - Resource Center for Palestinian Residency and Refugee Rights</p> <p>DCI - Defense for Children International - Palestine</p> <p>Jerusalem Legal Aid and Human Rights Center</p> <p>Aldameer Association for Human Rights</p> <p>Ramallah Center for Human Rights Studies</p> <p>Hurryyat - Center for Defense of Liberties and Civil Rights</p> <p>The Independent Commission for Human Rights (Ombudsman Office) - Observer Member</p>



And;

Palestinian NGOs Network	
	<p>Mothers School Society</p> <p>Applied Research Institute Jerusalem (ARI)</p> <p>Ma'an Development Center</p> <p>Alrowwad Cultural & Arts Society</p> <p>Human Rights Media "SHAMAS"/Palestine</p> <p>Palestinian Youth Union</p> <p>Union of Agricultural Work Committee</p> <p>Bissan Center for Research</p> <p>Arab Women Union Society</p> <p>Arab Agronomists Association</p> <p>AlSaraya Center for Community Services</p> <p>Palestinian Working Women Society for Development</p> <p>Land Research Center</p> <p>Eve Center for Culture and Arts Association</p> <p>Union of Health Work Committee</p> <p>"MUSAWA"</p>